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# FARM FACTS

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## Cash Receipts from Farm Marketings By Commodities, Tennessee, 1998 -1999<sup>1</sup>

Commodity	1998	1999	% of Total	% of 1998
1,000 Dollars				
<b>Crops</b>	1,166,136	963,097	48.8	83
Tobacco	235,852	217,560	11.0	92
Cotton, Lint	187,889	133,713	6.8	71
Cottonseed	26,238	17,435	0.9	66
Nursery	131,000	137,500	7.0	105
Soybeans	228,739	114,168	5.8	50
Corn	112,294	102,669	5.2	91
Floriculture	55,538	57,606	2.9	104
Wheat	41,058	43,042	2.2	105
Tomatoes	32,300	24,012	1.2	74
Hay	24,204	20,120	1.0	83
Snap Beans	9,206	8,929	0.4	97
Grain Sorghum	1,860	1,742	0.1	94
Apples	2,000	1,734	0.1	87
Peaches	1,350	1,410	0.1	104
Other Fruits & Vegetables	44,873	49,190	2.5	110
All Other Crops	31,735	32,267	1.6	102
<b>Livestock &amp; Products</b>	1,038,845	1,011,272	51.2	97
Cattle & Calves	376,012	391,138	19.8	104
Broilers	282,978	267,806	13.6	95
Dairy Products	236,910	224,190	11.4	95
Hogs	59,667	39,987	2.0	67
Eggs	23,073	26,715	1.3	116
Honey	591	530	<sup>2</sup>	90
Trout	704	418	<sup>2</sup>	59
Catfish	308	<sup>3</sup>	-----	-----
Wool	29	28	<sup>2</sup>	97
All Other Livestock <sup>4</sup>	58,573	60,460	3.1	103
<b>All Commodities</b>	<b>2,204,981</b>	<b>1,974,369</b>	<b>100.0</b>	<b>90</b>

<sup>1</sup> All data are subject to revision in the following year. <sup>2</sup> Less than 0.1 percent.

<sup>3</sup> Included in All Other Livestock. <sup>4</sup> Includes equine.

Source: *Economic Research Service*, U.S. Department of Agriculture, July 2000.

## Farm Cash Receipts Down 10 Percent

Tennessee cash receipts from farm marketings in 1999 totaled \$1.97 billion, 10 percent below 1998. Cash receipts from crop marketings, at \$963.0 million, were down 17 percent from a year earlier. Of Tennessee's major crops, soybeans and cotton showed the largest declines, down 50 and 29 percent, respectively. In 1999, tobacco was the number one cash crop followed by cotton, nursery, soybeans, corn, and floriculture. Livestock cash receipts from farm marketings, at \$1.01 billion fell 3 percent from 1998. Hogs showed the largest decline from 1998, down 33 percent. Cattle and calves continue to lead the State in cash receipts, followed by broilers, and dairy products.

## Farm Production Expenditures Up Slightly in 1999

U.S. farm production expenditures totaled \$184.3 billion in 1999, up 0.6 percent from the revised 1998 total of \$183.2 billion. The largest contributors to the increase were: livestock and poultry purchases, up 15.9 percent; farm improvements and construction, up 10.1 percent; labor, up 3.7 percent; and farm supplies and repairs, up 3.3 percent. These increases were partially offset by decreases in: tractors and self-propelled machinery, down 10.0 percent; rent, down 8.1 percent; and fertilizer, down 6.6 percent. The largest two expenditure categories were farm services which accounted for 13.9 percent of the U.S. total production expenses, and feed which accounted for 13.3 percent of the U.S. total production expenses.

The farm services category includes expense items such as custom work, utilities, marketing charges, veterinary services, transportation costs, and miscellaneous business expenses. The average expenditures per U.S. farm in 1999 were \$84,209 compared to \$83,810, as revised for 1998. On the average, U.S. farm operations in 1999 spent \$11,746 on farm services; \$11,197 on feed; \$9,004 on labor; \$7,678 for livestock and poultry purchases; and \$7,267 on rent. Revised estimates for 1998 indicated that U.S. farms spent an average of \$11,440 on farm services; \$11,440 on feed; \$8,694 on labor; \$6,635 for livestock and poultry purchases; and \$7,917 on rent.

The Farm Production Region contributing most to 1999's U.S. farm production expenditures was the Corn Belt with expenses of \$34.4 billion, 18.6 percent of the U.S. total. Expenditures in the Corn Belt were down 1.2 percent from the 1998 level of \$34.8 billion. In total expenditures, the Corn Belt was followed by the Pacific Region at \$30.9 billion (1998 - \$29.0 billion); Northern Plains \$23.2 billion (1998 - \$22.6 billion); Lake States \$18.3 billion (1998 - \$19.0 billion); and the Southern Plains at \$15.9 billion (1998 - \$15.6 billion).

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**Farm Production Expenditures: Major Input Items, Farms Reporting,  
Average Per Farm And Total, Appalachian Region<sup>1</sup>, 1998 - 1999**

Expenditure - Farm Share	Farms Reporting <sup>11</sup>		Average Per Farm <sup>12</sup>		Total Expenditures	
	1998	1999	1998	1999	1998	1999
	Percent		Dollars		Million Dollars	
Total Farm Production Expenditures <sup>2 3</sup>	100.0	100.0	45,663	45,636	14,110	14,170
Livestock, Poultry & Related Expenses <sup>4</sup>	26.8	26.5	4,337	4,992	1,340	1,550
Feed	77.6	69.8	10,324	9,758	3,190	3,030
Farm Services <sup>5</sup>	97.6	98.0	5,696	5,539	1,760	1,720
Rent <sup>6</sup>	26.8	26.2	2,605	2,576	805	800
Agricultural Chemicals <sup>7</sup>	50.0	56.5	1,570	1,643	485	510
Fertilizer, Lime, Soil Conditioners <sup>7</sup>	70.7	72.8	2,638	2,512	815	780
Interest	35.9	31.7	2,039	2,077	630	645
Taxes (Real Estate & Property)	99.9	97.8	1,149	1,143	355	355
Labor	43.7	39.5	3,754	3,929	1,160	1,220
Fuels	90.2	90.4	1,369	1,385	423	430
Farm Supplies & Repairs <sup>8</sup>	89.6	90.6	2,654	2,738	820	850
Farm Improvements & Construction <sup>9</sup>	51.7	46.8	1,812	1,804	560	560
Tractors and Self- Propelled Farm Machinery	12.1	9.7	1,987	1,723	614	535
Other Farm Machinery	17.3	18.1	1,036	1,063	320	330
Seed & Plants <sup>10</sup>	50.9	53.0	1,197	1,288	370	400
Trucks and Autos	13.9	13.7	1,424	1,353	440	420

<sup>1</sup> Appalachian Regions consists of KY, NC, TN, VA, WV. <sup>2</sup> Total includes production costs not allocated to any of the 16 expense categories published.

<sup>3</sup> Includes landlord and contractor share of farm production expenses. <sup>4</sup> Includes purchases and leasing of livestock and poultry. <sup>5</sup> Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. <sup>6</sup> Includes public and private grazing fees. <sup>7</sup> Includes material and application costs. <sup>8</sup> Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment and capital equipment for livestock and poultry. <sup>9</sup> Includes all expenditures related to new construction or repairs of buildings and fences and any improvements to physical structures of land. <sup>10</sup> Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

<sup>11</sup> Number of farms reporting item divided by total number of farms. <sup>12</sup> Total expenditures divided by total number of farms.

### U. S. Trade Projections

July U.S. trade projections for corn, cotton, and turkeys improved while 2000/2001 export prospects for wheat and soybeans declined, compared with last month. Rice, beef, pork, and broilers were unchanged from June. July projections for the volume of exports for the 2000/2001 marketing year compared to 2000/2001 are: **wheat** up 1%; **corn** up 9%; **rice** down 1%; **soybeans** up 1%; **soybean meal** up 2%; **soybean oil** up 40%; and **cotton** up 21%. July projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** down 3%; **pork** up 2%; **broilers** up slightly; and **turkeys** down 3%. The **U.S. trade** deficit for goods and services increased to \$31.0 billion in May, from a revised \$30.5 billion in April. The **U.S. agricultural trade** surplus was \$ 505.7 million in May, compared with \$ 541.2 million in April.

### U. S. Prices

The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.6% in June and has increased 3.7% over the last 12 months. The **PPI** increased 0.6% in June, and has increased 4.3% for the 12-month period ending in June. The June **prime rate**, averaging 9.50%, was up from 9.24% in May. Compared to a year earlier, **feed** prices in June were up 4%; **feeder livestock and poultry** prices up 16%; **fertilizer** was up 5%; **ag chemicals** up 7%; **farm machinery** up 2%; **seeds** up 2%; and **fuels** up 42%.

## **Agricultural Outlook Summary, July 20, 2000**

### **U.S. Wheat Economy Confronts Challenges**

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The U.S. wheat sector enters the new century facing many challenges, despite a strong domestic market for wheat products. U.S. wheat area is trending down because of declining returns relative to other crops, due partly to continued sharp competition from abroad. U.S. share of the world wheat market has eroded for more than two decades, with exports holding fairly steady while global wheat trade increased. During the past quarter century, U.S. per capita consumption of wheat as food products shows an upward trend, and the rise has benefitted the U.S. wheat processing industry, although foreign producers have captured a share of the expanded domestic market. Gary Vocke (202) 694-5285; vocke@ers.usda.gov

Global wheat consumption will outpace production for a third year, causing worldwide wheat stocks to drop 10 percent in 2000/01. But exporters' stocks remain large, and U.S. prices are forecast little changed from a year earlier. The extent of an increase in world wheat trade--forecast to reach its highest level in nearly 10 years--is likely to be crucial for wheat prices in 2000/01. Edward W. Allen (202) 694-5288; ewallen@ers.usda.gov

### **U.S. Field Crop Acreage Expands**

Planted area for the eight major U.S. field crops totals 254.9 million acres in 2000, up more than 3 million acres from last year when prices were lower for most crops at planting time. According to USDA's June 30 Acreage report, increases in soybean, corn, barley, wheat, and cotton area more than offset declines in sorghum, oats, and rice. U.S. farmers have planted a record 74.5 million acres of soybeans in 2000, 1 percent over last year's record. Corn plantings increased to an estimated 79.6 million acres, up 3 percent. Normal weather in the coming months would result in large output and stable or declining farm prices for most U.S. field crops in 2000/2001. Robert A. Skinner (202) 694-5313; rskinner@ers.usda.gov

### **Slow Growth Persists for U.S. Meat Exports**

Growth in overall U.S. red meat and poultry exports is expected to continue on a slow course this year and actually flatten in 2001, as increases in pork and broilers are offset by declines in beef and turkey. Sluggish growth in total meat exports in recent years can be traced to a healthy economy in the U.S., where strong domestic demand has bid up prices of meat products. At the same time, buying power of some major importers of red meats and poultry (e.g., in Russia and Asia) dropped as incomes fell and currencies collapsed. Leland Southard (202) 694-5187; southard@ers.usda.gov

### **U.S. Agricultural Imports Head Higher**

U.S. imports of agricultural commodities and products are projected to reach \$39 billion in fiscal 2000, a 72-percent increase from 1990. This astonishing growth results in part from exceptional U.S. economic expansion during the decade. In the last half of the decade, the strong U.S. dollar and sluggish growth or recessions elsewhere in the world have also contributed to the surge in U.S. imports. Continued strong U.S. economic growth, the dollar's high purchasing power, and relatively low global commodity prices point toward higher imports in 2001. Alberto Jerardo (202) 694-5323;

### **Consolidation in Food Retailing**

The U.S. food retailing industry has undergone unprecedented consolidation and structural change in recent years. Driven by expected efficiency gains from economies of size, large retailers have since 1996 purchased almost 3,500 supermarkets, representing annual grocery store sales of more than \$67 billion. The nationwide share of sales for the four largest retailers rose from nearly 16 percent in 1992 to almost 29 percent in 1998.

Widespread consolidation in the grocery industry raises questions about the implications for consumers and food market suppliers such as grower-shippers, food processors, and wholesalers. Some consumers fear that fewer food retailers will eventually mean higher grocery prices and less variety. Grocery suppliers worry that fewer but larger buyers could force prices lower for products and services that food retailers purchase. Retailers are likely to continue consolidating in order to maintain profitability as competition for the consumer food dollar heightens. Phil R. Kaufman (202) 694-5376; pkaufman@ers.usda.gov

### **Does Genetic Engineering Reduce Crop Pesticide Use?**

Planting genetically engineered (GE) crops appeals to producers because of the potential to simplify pest management, reduce pesticide use, and help control costs. Analysis by USDA's Economic Research Service indicates that adoption of GE corn, soybeans, and cotton is associated with a decrease in the number of acre-treatments of pesticides (number of acres treated multiplied by number of pesticide treatments). Reduction in volume of active ingredients applied is less consistent, since adoption alters the mix of pesticides used in the cropping system, as well as the amounts used. Comparison of different mixes of pesticides involves evaluating tradeoffs between the amounts used and the environmental characteristics, primarily toxicity and persistence. For example, the herbicide-tolerance trait in soybeans allows substitution of glyphosate herbicides for other synthetic herbicides that are at least three times as toxic as glyphosate and that persist in the environment nearly twice as long. Ralph E. Heimlich (202) 694-5504; heimlich@ers.usda.gov

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Source: *Economic Research Service*, U.S. Department of Agriculture, July 20, 2000; Agricultural Outlook Summary, ERS-AO-273.

June Egg Production Up 1 Percent: U.S. egg production totaled 6.80 billion during June 2000, up 1 percent from the 6.74 billion produced in 1999. Production included 5.72 billion table eggs and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 65.0 million were egg-type. The total number of layers during June 2000 averaged 325 million, up 1 percent from the total average number of layers during June 1999. June egg production per 100 layers was 2,092 eggs, down 1 percent from 2,104 eggs in June 1999. All layers in the U.S. on July 1, 2000, totaled 325 million, up 1 percent from a year ago.

**Layers and Eggs: Layers on Hand and Eggs Produced,  
Selected States and United States, During June 1999 and 2000**

Selected States	Table Egg Layers in Flocks 30,000 or more		All Layers <sup>1</sup>		Eggs per 100 for All Layers <sup>1</sup>	
	1999	2000	1999	2000	1999	2000
	Thousands				Number	
Alabama	3,558	2,779	10,703	10,406	1,897	1,845
Arkansas	4,657	5,012	15,165	15,269	1,886	1,912
Georgia	11,238	11,487	20,976	20,480	1,988	1,963
North Carolina	3,412	3,237	11,259	11,151	1,865	1,811
All Other States <sup>2</sup>	231,637	237,367	262,338	267,804	2,145	2,133
United States	254,502	259,882	320,441	325,110	2,104	2,092

<sup>1</sup> Includes all layers and eggs produced in both table egg and hatching egg flocks regardless of size. <sup>2</sup> Tennessee included in other states.

**U.S. Livestock Slaughter:** Commercial red meat production for the United States totaled 3.94 billion pounds in June, up slightly from the previous record high for June set in 1999. Cattle slaughter totaled 3.24 million head, up 1 percent from 1999. The average live weight was up 10 pounds from the previous year, at 1,205 pounds. Calf slaughter totaled 95 thousand head, down 9 percent from June 1999. The average live weight was 25 pounds above last year, at 322 pounds. Hog kill totaled 7.95 million head, 4 percent below 1999. The average live weight was 3 pounds above the previous year, at 262 pounds. Sheep slaughter totaled 260 thousand head, 4 percent below last year. The average live weight was 133 pounds, up 3 pounds from June a year ago.

**Livestock Slaughter<sup>1</sup>: United States, June 1999 and 2000**

Species	Number Slaughtered		Total Live Weight		Average Live Weight	
	1999	2000	1999	2000	1999	2000
	1,000 Head		1,000 Pounds		Pounds	
Cattle	3,207	3,237	3,832,344	3,901,800	1,195	1,205
Calves	105	95	31,072	30,692	297	322
Hogs	8,319	7,950	2,156,831	2,081,082	259	262
Sheep & lambs	270	260	35,154	34,612	130	133

<sup>1</sup> Includes slaughter under Federal inspection and other commercial slaughter (excludes farm slaughter).